



DEPARTMENT OF LABOR

Employment and Training Administration

Federal-State Unemployment Compensation Program: Notice of Federal Agency with Adequate Safeguards to Satisfy the Confidentiality Requirement of the Social Security Act (SSA)

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice of Federal agency with adequate safeguards.

SUMMARY: As further discussed below, the Department of Labor (Department) and United States Postal Service (USPS), working with states, plan to provide an in-person option for conducting the identity verification states perform in administering Unemployment Insurance (UI) benefits (the “Project”). In this notice, the Department recognizes that for purposes of conducting in-person identity verification in connection with UI benefits, pursuant to a signed Interagency Agreement (“IAA”) with the Department, the USPS has in place safeguards adequate to satisfy the requirements of section 303(a)(1), SSA. As a result, including the safeguards and security requirements, do not apply to disclosures of confidential unemployment compensation (UC) information by state UC agencies to the Department, for redisclosure to USPS, for the limited purposes set forth herein.

FOR FURTHER INFORMATION CONTACT: Jim Garner, Administrator, Office of Unemployment Insurance, Employment and Training Administration, (202) 693–3029 (this is not a toll-free number) or 1–877–889–5627 (TTY), or by e-mail at garner.jimmie@dol.gov.

SUPPLEMENTARY INFORMATION: The Employment and Training Administration (ETA) interprets Federal law requirements pertaining to the Federal-State UC program. ETA interprets section 303(a)(1) of the Social Security Act to require states to maintain the confidentiality of certain UC information. The regulations at 20 CFR Part 603 implement this confidentiality requirement. 20 CFR 603.9 requires States and State UC agencies to ensure that recipients of

confidential UC information have certain safeguards in place before any confidential UC information may be disclosed. Section 603.9(d) provides that States are not required to apply the requirements of § 603.9, including these safeguards and security requirements, to a Federal agency which the Department has determined, by notice published in the Federal Register, to have in place safeguards adequate to satisfy the confidentiality requirement of section 303(a)(1), SSA.

The authority for USPS to enter into an agreement with the Department is 39 U.S.C. 411 and 39 CFR 259.1, which permit USPS to furnish nonpersonal services to Executive agencies within the meaning of 5 U.S.C. 105. The Department is authorized, under section 2118 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (15 U.S.C. 9034), to fund and administer projects that detect and prevent fraud, promote equitable access, and ensure the timely payment of benefits with respect to UC programs. Under these authorities, ETA plans to implement the Project as a pilot that will be tested in several states. Based on the pilot's results, the in-person identity verification may be expanded to other states. USPS and the Department will implement the Project, in accordance with the terms of the IAA, to offer claimants filing an unemployment claim in a participating state the option to verify their identity in-person at specified USPS locations, which requires the sharing of confidential UC information among the participating state UC agencies, the Department, and USPS.

During the pilot, the initial disclosure of confidential UC information will be from the state UC agency to the Department, as permitted by the public official exception at 20 CFR 603.5(e). The Department will then redisclose the information to USPS. Prior to any disclosures taking place for the Project, a signed IAA will be in place between the Department and USPS, and an agreement meeting the requirements of 20 CFR 603.10 will be in place between the Department and each participating state UC agency.

The Department has determined that for the limited purposes of the Project, the methods and procedures employed by USPS for the protection of confidential UC information received

from the Department, or states participating in the Project who have disclosed confidential UC information to the Department, meet the requirements of section 303(a)(1), SSA. USPS operates information technology and database systems (collectively, the IT systems) that USPS regularly reviews for compliance and security through the USPS Accreditation & Authorization (A&A) process. The USPS A&A process aligns with the requirements contained in the Federal Information Security Management Act of 2002 (FISMA), as amended by the Federal Information Security Modernization Act of 2014. In addition, the USPS A&A process aligns with the *International Organization for Standardization (ISO) 27001:2013 and 27002:2013* and National Institute of Standards and Technology (NIST) Risk Management Framework (RMF) guidance, including *NIST SP 800-37, Risk Management Framework for Information Systems and Organizations*, which provides detailed guidance for the IT systems authorization process. USPS data security controls are a combination of USPS specific controls, ISO 27001, and NIST SP 800-53 Security and Privacy Controls for Information Systems and Organizations controls. All USPS controls map directly to SP 800-53 rev5 controls. Confidential UC information received by USPS in connection with the Project will be stored in an on-premises USPS system of records that is within the USPS secure network infrastructure. See Identity and Document Verification Services, USPS 910.000. Access to the confidential UC information USPS receives during the Project will be strictly controlled and monitored by both physical and electronic means, limited to authorized USPS staff, and not available to any third party. USPS will not utilize any subcontractors or third parties to participate in the Project. USPS staff who work on the Project undergo required privacy and information security training established for USPS employees. No images of documents or credentials that claimants present to USPS during the identity verification process will be captured or stored by USPS. Any confidential UC information that is stored electronically in connection with the Project is expunged from the USPS IT systems when the purpose for the disclosure is finished, as per the IAA and Project

specifications. In addition, USPS maintains IT systems sufficient to allow for audits and inspections as set forth in the IAA.

With this notice, the Department recognizes that USPS has in place safeguards adequate to satisfy the requirements of section 303(a)(1), SSA, for purposes of the confidential UC information received in connection with the Project. Thus, pursuant to 20 CFR 603.9(d), the requirements of 20 CFR 603.9 do not apply to disclosures of confidential UC information to USPS for purposes of the Project. This notice is published to inform the public of the Department's determination with respect to this agency.

Brent Parton,

Acting Assistant Secretary for Employment and Training.

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